

McMillanShakespeareGroup

Charter of responsibilities of the Board

Introduction

The Board of Directors (**the Board**) of McMillan Shakespeare Limited (**McMillan Shakespeare**) is accountable to the shareholders for the proper management and the performance of McMillan Shakespeare and its related bodies corporate.

Membership

The majority of McMillan Shakespeare's Directors shall be non-executive Directors.

The Company Constitution states that a quorum requires two Directors unless determined otherwise by the Board.

The Chairman of the Board shall be an independent non-executive Director, and hence the Managing Director cannot be the Chairman of the Board.

The Board promotes a culture within McMillan Shakespeare of accountability, integrity and transparency. Key matters reserved to the Board or Board Committees include the following:

- appraising and providing comment and direction on the McMillan Shakespeare's strategy development;
- approving McMillan Shakespeare's corporate strategy and ensuring that appropriate resources are available for the implementation of that strategy;
- monitoring the implementation of the strategy approved by the Board;
- overseeing and monitoring organisational performance and the achievement of the Group's strategic goals and objectives;
- monitoring the performance of the Chief Executive Officer;
- reviewing and approving the business plans and the annual budget for McMillan Shakespeare as recommended by the Chief Executive Officer;
- having management design and implement risk management and internal control and compliance systems to manage the Company's material business risks;
- oversight of effectiveness of the risk management system;
- monitoring financial performance against agreed objectives including approval of the annual and half-year financial reports and liaison with external auditors;
- reviewing and approving the authority and limits of such authority delegated to the Chief Executive Officer and other executives;



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- approving and monitoring the progress of major capital expenditure, acquisitions and divestments;
- overseeing McMillan Shakespeare's capital management and funding;
- determining McMillan Shakespeare's dividend policy;
- overseeing McMillan Shakespeare's compliance with laws and regulations;
- determining the appropriateness of the size and composition of the Board;
- determining criteria for non-executive board membership (refer Appendix A for the current guidelines);
- selection of candidates for directorship;
- evaluation of the Board's and individual Director's overall performance;
- appointing and removing the Chief Executive Officer;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;
- ensuring appropriate succession planning of senior management and Board members;
- setting the standards of behavior to enhance the reputation of McMillan Shakespeare in the marketplace and the community; and
- overseeing and monitoring compliance with the Employee Code of Conduct.

The Board delegates responsibility for day-to-day management of McMillan Shakespeare to the Chief Executive Officer. The Chief Executive Officer must, however, consult the Board on matters that are sensitive, extraordinary or strategic in nature.

Reviewed and adopted by the Board on 22 October 2012.

Appendix A

Guidelines for nomination of Directors

1. The Board shall comprise a majority of non-executive Directors.
2. The Chairman of the Board must be a non-executive Director.
3. The Board may be increased in number if additional expertise is required in a specific area, or if felt necessary to meet increased demands due to the growth or increased complexity of the Company.
4. The Board should comprise persons having a variety of professional skills and expertise that are relevant to the business of the Company.
5. When making a new appointment, regard should be had to the age and skills of the candidate in relation to the ages and skills profile of existing Directors to ensure continuity at Board level. It should also be recognized that the Company is an equal opportunity employer.
6. Terms and conditions of appointment shall be advised in writing to each new non-executive Director.